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AUTHORITY: 7 U.S.C. 901 *et seq.*; Pub. L. 103–354, 108 Stat. 3178 (7 U.S.C. 6941 *et seq.*); 7 U.S.C. 1921 *et seq.*; 5 U.S.C. 301, 552; 7 CFR 1.1–1.16.

SOURCE: 55 FR 39596, Sept. 28, 1990, unless otherwise noted.

Subpart A—Organization and Functions

SOURCE: 57 FR 6285, Feb. 24, 1992, unless otherwise noted.

§ 1700.1 General.

(a) The Rural Electrification Administration (REA) was established by Executive Order No. 7037, signed by the President on May 11, 1935. Statutory authority was provided by the Rural Electrification Act of 1936 (RE Act) (49 Stat. 1363; 7 U.S.C. 901). The RE Act established REA as a lending agency with responsibility for developing a program for rural electrification.

(b) On October 28, 1949, an amendment to the RE Act authorized REA to make loans to improve and extend telephone service in rural areas. The Rural Telephone Bank (RTB or the Bank), an Agency of the United States, was established by another amendment to the RE Act, approved May 7, 1971. The Administrator of RUS serves as the Bank's chief executive with the title of Governor. On May 11, 1973, the RE Act was further amended to establish a revolving fund and to provide authority for REA to guarantee loans made by other legally organized lenders. The RE Act was amended further on December 21, 1987, to establish a Rural Economic Development Subaccount, and to authorize funds from this subaccount to provide zero-interest loans and grants to REA borrowers to promote rural economic development and job creation. The RE Act was also amended on November 5, 1990, to add a new section 314, which authorized REA to guarantee 90 percent of the principal and interest of loans made for electric and telephone facilities by legally organized lenders. It was further amended on November 28, 1990, to establish an Assistant Administrator for Economic Development and a rural development technical assistance unit; to expand the authorities and responsibilities of REA in rural economic development; and to establish a Rural Business Incubator Fund for making grants and reduced interest loans to electric and telephone borrowers to promote business incubator projects. At the same time, the Administrator was also granted authority for financial assistance for distance learning and medical link programs.

(c) The Secretary of Agriculture (Secretary) was required to establish the Rural Utilities Service (RUS) pursuant to section 232 of the Federal Crop

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Insurance Reform and Department of Agriculture Reorganization Act of 1994, (Pub. L. 103-354, 108 Stat. 3178) (Reorganization Act). The Reorganization Act established RUS as successor to REA. On October 20, 1994, the Secretary abolished REA and established RUS. RUS was assigned responsibility for administering electric and telephone loan programs previously administered by REA, water and waste facility loans and grants previously administered by the Rural Development Administration, along with other functions as the Secretary determines appropriate. The rights, interests, obligations, duties, and contracts previously vested in REA are transferred to and vested in RUS. The Secretary designated the Administrator of RUS to serve as the Governor of RTB.

(d) The offices of RUS are located in the South Building of the United States Department of Agriculture at 14th and Independence Avenue, SW., Washington, DC 20250-1500. The Electric and Telephone Programs are administered by regional offices located at this same address. There is a Northern and a Southern Regional Office, along with a Power Supply Division, for the electric program, and an Eastern and a Western Regional Office for the telephone program. (See § 1700.4(b) and § 1700.5(b).)

[59 FR 66440, Dec. 27, 1994]

§ 1700.2 Office of the Administrator.

(a) The Administrator (who also serves as Governor of the RTB) is appointed by the President, with the advice and consent of the Senate, for a term of 10 years. The Administrator functions as the chief executive of the Agency under the general supervision and direction of the Under Secretary for Rural Economic and Community Development. The Administrator is aided directly by two Deputy Administrators and by Assistant Administrators for the Electric Program, the Telephone Program, for Economic Development and Technical Services, and for Management. The Financial Services Staff and the Equal Opportunity and Civil Rights Staff also report directly to the Administrator. The work of the Agency is carried out through the of-

fices and divisions described in this part.

(b) The Financial Services Staff performs the following functions:

(1) Evaluates financial conditions of financially troubled borrowers;

(2) Negotiates settlements and "work-outs" of financially troubled borrowers who have or may have delinquent loans in order to satisfy the government's interests, keeping abreast of financial and legal factors that may affect the negotiations;

(3) Coordinates the Agency's efforts to identify and develop strategies for potentially financially troubled borrowers;

(4) Develops techniques and criteria for evaluating the financial and operating performance of certain rural electric and telephone borrowers;

(5) Develops certain standards, policies, and procedures in connection with loan requirements and processing for the electric and telephone programs;

(6) Analyzes and evaluates certain loan requests and transactions to determine whether the documentation justifies the request;

(7) Serves as staff to the Senior Loan Committee;

(8) Keeps other government organizations advised concerning activities of the staff; and

(9) Serves as RUS liaison to the capital markets.

(c) The Equal Opportunity and Civil Rights Staff administers the program for equal opportunity in the delivery of services and benefits by RUS borrowers and in the employment practices in the Agency. The staff:

(1) Formulates and coordinates plans, policies and procedures for a nationwide program of nondiscrimination on the part of RUS borrowers in carrying out borrower programs subject to the provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000a-2000h-6); section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 701 *et seq.*); the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107); the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.*); and Executive Order 11246 (3 CFR, 1964-1965 Comp., p. 339), as amended by Executive Orders 11375 (3 CFR, 1966-1970 Comp., p. 684) and 12086 (3 CFR, 1978 Comp., p. 230).